



ARMY ACQUISITION REFORM



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An Alternative Dispute Resolution (ADR) Success

Recognizing the enormous amount of time and money that litigation demands, contractors and Government agencies are finding ADR a faster, cheaper and more efficient method of resolving disputes. TACOM-ACALA and Lockheed Martin recently resolved a contract dispute which had lingered for years and appeared headed to litigation. The dispute involved a former Navy production contract for a Conduct of Fire Trainer and centered around two issues: pricing of option units ordered on a ceiling price basis after a major restructuring of option quantities and configuration and calculation of EPA adjustments. The difference between the parties was over \$10M on a \$100M+ portion of the contract effort. The issues were further complicated by the age of the disagreement and the company involved as well as some of the participants had changed three times over the years. The ADR approach used a two person panel, one from the government and one from the contractor. Both were management level personnel but neither were from the facilities involved in the disagreement nor had either been previously involved in the program or the dispute. A final settlement was reached, resolving all open issues under the contract, and establishing the basis for final administrative actions and close-out. This settlement will: *save about two years of litigation time and effort, allow final payment within available funding, eliminate litigation risk to both sides, and help restore a working relationship between the parties.*

Reform Emphasis on Debriefings Works Well

The acquisition reform influence of comprehensive debriefings largely accounted for the award of the Fort Riley Direct Support/General Support Maintenance contract *without protest*. The debriefings facilitated improved communication leading to a greater understanding of the evaluation process and offerors also gained valuable insight and a broadened perspective for how to strengthen their proposals in future endeavors. Eight proposals were received in response to the solicitation. Two were dropped from the competitive range and were debriefed prior to award and four of the five other offerors requested debriefings. Each debriefing outlined the Government's view of each proposal in relation to the solicitation proposal and award criteria.